Harmful provisions in House & Senate tax reform proposals

Taken from CDC materials – Nov. 28, 2017

	In House Bill	In Senate Bill
Repeal of Individual Mandate for health insurance coverage. Will result in 13+ million fewer people with health insurance and premium hikes of 10% in the insurance marketplace. The individual mandate helps make possible non-discrimination in health care for people with disabilities like preventing insurers from charging more for people with pre-existing conditions and banning annual and lifetime limits on benefits.		✓
Repeal of the medical expense deduction. Nearly 9 million filers claim this deduction for medical care expenses that exceed 10% of an individual or family's adjusted gross income. It offsets some of the high "out of pocket" medical expenses, such as high cost prescription drugs, long term physical and occupational therapies, durable medical equipment, and long term care services and supports.	✓	
Repeal of the Disabled Access Credit (DATC). The DATC assists small businesses in meeting obligations created by the ADA. It allows small businesses (<31 employees and gross receipts < $1 million a year) to claim a tax credit. Credit provides 50% of eligible expenditures between $250 and $10,000 for a maximum of $5,000	✓	
Repeal of the Work Opportunity Tax Credit (WOTC). WOTC is available to employers for hiring individuals from certain target groups, including people with disabilities. The WOTC for people with disabilities provides a credit for up to 40% of the first $6,000 in wages, for a maximum of $2,400 for SSI beneficiaries but up to $9,600 for certain disabled veterans.	✓	-
Limits Low Income Housing Tax Credit (LIHTC) Program. Eliminates the credits for tax exempt private activity bonds which are issued by state or local governments for the construction of affordable housing and other infrastructure projects. Changes proposed by the Senate bill are estimated to reduce units produced by roughly 300,000 over the next 10 years. The House bill has proposed even more dramatic changes, estimated to reduce units produced by nearly 1 million over the next 10 years.	✓	✓
Reducing incentives for charitable deductions. Raising the standard deduction could reduce the number of taxpayers who itemize deductions – including charitable donations – from the current 30% to 5%. Combined with a decrease in the top marginal tax rate, the disincentive to itemize would reduce charitable giving by $4.9 billion to $13.1 billion annually. The charitable sector provides a large portion of services for people with disabilities.	✓	✓
Repeal or Limit Orphan drugs credit. Businesses can receive this credit for clinical testing expenses for certain drugs for rare diseases or conditions. It is estimated that if the orphan drug credit were repealed one, third fewer drugs addressing rare diseases would be developed in the future.	✓ **Repeal**	✓ **Limit**
Repeal of State & Local Tax Deduction (SALT). Taxpayers would lose the ability to deduct their state and local taxes from their federal taxes, a break used by about 44 million people (or 30% of tax filers.) Eliminating SALT would disproportionately affect people living in higher-tax states such CT, NJ, NY, & CA. People in higher tax states will end up with large tax increases; and/or states may lose public support for investing in quality public services (such as education, housing, & transportation) that benefit people with disabilities	✓ **Partial Repeal** (only maintains property tax deduction, but limits it to $10,000)	✓ **Full Repeal**